

## Message Text

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71

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06 OES-06

PA-01 USIA-06 PRS-01 SP-02 /045 W

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R 241515Z AUG 76

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 931

INFO AMCONSUL BELIZE

AMEMBASSY BOGOTA

AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY CURACAO

AMEMBASSY GEORGETOWN

AMEMBASSY GUATEMALA

AMEMBASSY KINGSTON

AMEMBASSY MEXICO

AMEMBASSY PANAMA

AMEMBASSY PORT AU PRINCE

AMEMBASSY PORT OF SPAIN

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY SANTO DOMINGO

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E.O. 11652: N/A

TAGS: EWWT, ETRD, EALR, NU, XK, XL

SUBJECT: NAMUCAR: MANAGUA SESSION OF ADMINISTRATIVE BOARD

REF: STATE 194668; SAN JOSE 3991; MANAGUA 3920

1. BEGIN SUMMARY: THE ADMINISTRATIVE BOARD OF THE INTERGOVERN-  
MENTAL CARIBBEAN SHIPPING CONSORTIUM, NAMUCAR, MET IN MANAGUA  
AUGUST 18-20. NEWS EMANATING FROM THE MEETING STRESSED THE  
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INFANT LINE'S EARLY SUCCESSES, THE NEW MEMBERSHIP OF TRINIDAD-

TOBAGO AND THE POSSIBILITY OF NAMUCAR'S BUYING SHIPS. THE BOARD DENIED THAT NAMUCAR WILL DO OTHER THAN COMPLEMENT SERVICES ALREADY OFFERED BY EXISTING LINES. PRESIDENT SOMOZA LENT HIS SUPPORT TO NAMUCAR WITH TWO APPEARANCES AT THE BOARD SESSION. NEXT SESSION SET FOR NOVEMBER 10 IN HAVANA, CUBA. END SUMMARY.

2. THE FIFTH SESSION OF THE ADMINISTRATIVE BOARD OF NAMUCAR, HELD IN MANAGUA, AUGUST 18-20, RECEIVED WIDESPREAD AND FAVORABLE MEDIA COVERAGE. ACCORDING TO PRESS ACCOUNTS, SUBSEQUENTLY CONFIRMED BY NICARAGUAN REPRESENTATIVE, REMY RENER, NAMUCAR'S BOARD MADE FOLLOWING STATEMENTS AND DECISIONS. THE BOARD: -- DIRECTED MANAGEMENT TO PREPARE FOR DISCUSSION AT NOVEMBER 10 MEETING IN HAVANA, A FEASIBILITY STUDY FOR PURCHASE OF SHIPS. POSSIBLE SUPPLIERS INCLUDE ROMANIA, POLAND, SPAIN AND JAPAN.

-- STRESSED THAT NAMUCAR'S AIM IS TO COMPLEMENT, NOT DISPLACE EXISTING SHIPPING LINE OPERATIONS IN CARIBBEAN. (STATEMENT WAS IN APPARENT REACTION TO CRITICISMS LEVELED BY PRIVATE LINES AND NON-MEMBER COUNTRIES.)

-- DENIED THAT IT IS PLANNING SERVICE TO PACIFIC PORTS. (THIS DENIAL NOTWITHSTANDING, SALVADORAN OBSERVERS'S PRESENT AT MEETING MAY REKINDLE PRIVATE LINES' FEARS THAT NAMUCAR INDEED CONSIDERING PACIFIC ROUTES.)

-- REJECTED ACCUSATIONS THAT LINE UNFAIRLY CUTTING PRICES. BOASTED, HOWEVER, THAT UNLIKE ITS PRIVATE COMPETITORS, NAMUCAR LEVYING NEITHER FUEL SURCHARGE NOR PORT CONGESTION SURCHARGES APPLICABLE TO VENEZUELAN PORTS AND TAMPICO, MEXICO. (THIS GIVES NAMUCAR COMPETITIVE PRICING EDGE.)

3. TRINIDAD-TOBAGO OFFICIALLY JOINED NAMUCAR DURING THE MANAGUA SESSION, PAYING ITS \$1.25 MILLION CAPITALIZATION SHARE. (OTHER NAMUCAR MEMBERS ARE NICARAGUA, CUBA, COSTA RICA, JAMAICA, VENEZUELA, AND MEXICO.) ALTHOUGH HONDURAS, EL SALVADOR,

AND PANAMA HAD OBSERVERS AT THE SESSION, NO NEW APPLICATIONS FOR MEMBERSHIP WERE REPORTED.

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4. PRESIDENT SOMOZA ADDRESSED THE OPENING AND CLOSING CEREMONIES, EMPHASIZING THAT NAMUCAR DEMONSTRATES THAT THROUGH INTERNATIONAL COOPERATION IT IS POSSIBLE TO OPERATE A VIABLE AND MUTALLY BENEFICIAL ENTERPRISE.

5. THE REASONS FOR SOMOZA'S APPARENT INTEREST IN PROMOTING NAMUCAR ARE NOT ENTIRELY CLEAR. HIS ARCHENEMY, CUBA, IS A CON-SORTIUM MEMBER AND NAMUCAR IS A COMPETITOR OF THE SOMOZA FAMILY-

OWNED MAMENIC LINES (MANAGUA 3920). ON THE OTHER HAND, THE  
DESIGNATION OF REMY RENER, SOMOZA'S TRUSTED VICE MINISTER FOR THE  
DEVELOPMENT OF NICARAGUA'S ATLANTIC REGION, AS NICARAGUA'S  
REPRESENTAIVE ON THE BOARD SUGGESTS THAT SOMOZA FEELS NAMUCAR  
MAY WELL CONTRIBUTE TO THE DEVELOPMENT OF THAT SENSITIVE AND  
NEGLECTED AREA. MOREOVER, SOMOZA PROBABLY WISHES TO BE ABLE TO  
INFLUENCE THE POLICIES AND DIRECTIONS OF THIS POTENTIALLY  
SIGNIFICANT AND PROFITABLE REGIONAL ENTERPRISE.  
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